

TEACHERS' RETIREMENT BOARD

REGULAR MEETING

SUBJECT: Cash Balance Benefit Program Update

ITEM NUMBER: 11

ATTACHMENT(S): 0

ACTION:

MEETING DATE: July 8, 1999

INFORMATION: X

PRESENTER: Mr. Lujano

A. SUMMARY

As of June 18, 1999, Cash Balance (CB) Benefit Program participating employers are reporting a total of 5,868 participants and the Program has received over \$4.4 million in contributions. The Foothill-De Anza Community College District in Santa Clara County is still in the process of conducting their election. On July 6, 1999, the Mira Costa Community College District presented to their Board a resolution to provide the CB Benefit Program. CB Benefit Program staff traveled to the Mira Costa Community College District on June 25 to address the process of implementing the CB Benefit Program and assisted administration staff with questions and concerns regarding the implementation process.

Program staff have ordered 2500 mugs as their first marketing promotional effort. Each dark blue marbled mug displays the program motto: "Cash Balance Benefit Program – Designed With You In Mind" and has the new CalSTRS logo also printed in gold. Staff will be sending mugs to current participating employers as a thank you for being part of the CB family and to prospective or targeted employers as staff present information about the many benefits and advantages of the program.

B. UPDATE ON PROGRAM MARKETING

The CB Benefit Program Product Promotions staff continues to follow the existing plan adopted by the Board in October 1997. Staff is still working to revise the plan to meet the program's current needs. This fiscal year, 52 employee workshops have been presented to an estimated total of 805 individuals, in addition to 54 meetings scheduled with school district officials.

The CB Benefit Program Materials Redesign Team is working towards revising all marketing and educational materials to incorporate the new CalSTRS logo and to reflect the change in the status from plan to program which occurred as a result of the merger. Another major change being implemented is to develop two different packages targeting the community college faculty and K-12 teachers separately. These separate marketing tools will address each group's individual needs and pertinent issues can be addressed for each group.

Two employee workshops were held at the Foothill - De Anza Community College District on June 15 and 16 and workshops for the Berkeley Unified School District have been requested for the fall of 1999.

C. UPDATE ON ADMINISTRATION

PROGRAM GROWTH

The table below represents the current year CB Benefit Program growth including the percentage of change from the previous month.

	March 1999	% of Change	April 1999	% of Change	May 1999	% of Change
Participants	5427	+ 5.7%	5,608	+ 3.3%	5750	+ 2.5%
Employers Actively Reporting	15	none	16	+ 6.7%	17	+ 6.3%
Participating Counties	10	none	11	+10.0%	11	None
Total Contributions Received*	\$3,514,000	+ 11.1%	\$3,846,000	+9.4%.	\$4,133,000	+9.4%.
Net Asset Value*	\$4,275,000	+ 9.4%	Unavailable until 6/25/99		Unavailable until 7/25/99	

*Amounts rounded to the nearest thousand dollars.

PARTICIPATING EMPLOYERS

The following is a list of the 19 employers offering the CB Benefit Program to their part-time, substitute and adjunct faculty.

COUNTY	K-12 SCHOOL DISTRICTS	COMMUNITY COLLEGE DISTRICTS
Alameda	Berkeley Unified	Chabot-Las Positas
		Fremont-Newark
		Peralta
Contra Costa	West Contra Costa Unified	Contra Costa
Los Angeles		Antelope Valley
		El Camino
		Glendale
Sacramento	Robla Elementary	
San Diego	Grossmont Union High	
Santa Clara		San Jose-Evergreen
		Foothill-De Anza*
Solano		Solano
Sonoma	Montgomery Elementary	Sonoma County
Ventura		Ventura County
Yuba		Yuba
San Francisco		San Francisco

*Employers currently in the implementation or election phase.

RATE OF RETURN ON INVESTMENTS**(Aggregate – TC11 and TC64)**

The long-term rate of return on CB Benefit Program funds has held its investment value even through the fluctuating market experienced during the 1998/99 fiscal year. The following table shows the various rates of return on investments for the Program.

Period of Time	Rate of Investment Return
1 month (4/1/99 – 4/30/99)	3.04
FYTD (7/1/98 - 4/30/99)	14.83
1 year (5/1/98 -4/30/99)	17.90
Since Program Inception (2/1/97 – 4/30/99)	23.09

BENEFIT APPLICATIONS

As of June 18, 1999, the CB Benefit Program has received a total of 27 benefit applications: 12 retirement applications, 13 termination applications, and 2 death benefit applications. Of those 27 applications, 21 have been paid, and 6 are not eligible for payment at this time due to incomplete applications or the one-year waiting period for termination benefits. The following tables represent the individual breakdown of benefit applications.

Applications Received

	Mar 99	Apr 99	May 99	Jun 99	Total To Date
Retirement	2	1	0	1	12
Termination	1	1	1	1	13
Death	0	0	0	0	2
Disability	0	0	0	0	0
Totals	3	2	1	2	27

Completed Applications Ready for Payment

	Mar 99	Apr 99	May 99	Jun 99	Total To Date
Retirement	3	1	0	0	11
Termination	0	0	2	0	8
Death	0	0	0	0	2
Disability	0	0	0	0	0
Totals	3	1	2	0	21

Benefits Paid

	Mar 99	Apr 99	May 99	Jun 99	Total To Date
Retirement	5	3	1	0	11
Termination	6	0	2	0	8
Death	2	0	0	0	2
Disability	0	0	0	0	0
Totals	13	3	3	0	21